



Application No. 09/748,943  
Reply to Office Action of January 12, 2005

**Amendments to and Listing of the Claims:**

Please cancel claims 17-32 and 34-69, and add new claims 70-89 as follows:

1-69. (canceled)

70. (new) A method of delivering advertisements to subscribers in a television or video network environment having a transmission medium, a display device and a storage medium, the method comprising:

- (a) transmitting program content to the subscribers over the transmission medium at a program content transmission bit rate;
- (b) displaying the program content to the subscribers on the display device;
- (c) transmitting advertisements to the subscribers over the transmission medium at an advertisement transmission bit rate, wherein the advertisements are transmitted in advance of being presented to the subscribers and are transmitted simultaneous with the transmission and display of the program content;
- (d) storing the advertisements in the storage medium; and
- (e) varying the advertisement transmission bit rate such that the transmission of the advertisements does not substantially reduce the program content transmission bit rate.

71. (new) The method of claim 70 wherein step (e) includes determining an available bandwidth of the transmission medium prior to varying the advertisement transmission bit rate.

72. (new) The method of claim 70 wherein step (e) includes monitoring the program content transmission bit rate to determine an available bandwidth of the transmission medium.

73. (new) The method of claim 70 wherein step (e) includes predicting the program content transmission bit rate to determine an available bandwidth of the transmission medium.

74. (new) The method of claim 73 wherein the program content transmission bit rate is statistically predicted.

75. (new) The method of claim 70 wherein varying the advertisement transmission bit rate occurs in real time.

76. (new) The method of claim 70 wherein the advertisement transmission bit rate is varied in accordance with the program content transmission bit rate.

77. (new) The method of claim 70 wherein the program content is displayed on the display device in real-time.

78. (new) The method of claim 70 wherein the transmitted advertisements are targeted to the subscribers.

79. (new) The method of claim 70 further comprising:

(f) selecting advertisements to be transmitted to the subscribers.

80. (new) A method of delivering advertisements to subscribers in a television or video network environment having a transmission medium, a display device and a storage medium, the method comprising:

(a) transmitting program content to the subscribers over the transmission medium at a program content transmission bit rate;

(b) displaying the program content to the subscribers on the display device;

(c) transmitting advertisements to the subscribers over the transmission medium at an advertisement transmission bit rate, wherein the advertisements are transmitted in advance of being presented to the subscribers and are transmitted simultaneous with the transmission and display of the program content;

(d) storing the advertisements in the storage medium; and

(e) varying the advertisement transmission bit rate such that the transmission of the advertisements does not exceed the maximum bandwidth of the transmission medium.

81. (new) The method of claim 80 wherein step (e) includes determining an available bandwidth of the transmission medium prior to varying the advertisement transmission bit rate.

82. (new) The method of claim 80 wherein step (e) includes monitoring the program content transmission bit rate to determine an available bandwidth of the transmission medium.

83. (new) The method of claim 80 wherein step (e) includes predicting the program content transmission bit rate to determine an available bandwidth of the transmission medium.

84. (new) The method of claim 83 wherein the program content transmission bit rate is statistically predicted.

85. (new) The method of claim 80 wherein varying the advertisement transmission bit rate occurs in real time.

86. (new) The method of claim 80 wherein the advertisement transmission bit rate is varied in accordance with the program content transmission bit rate.

87. (new) The method of claim 80 wherein the program content is displayed on the display device in real-time.

88. (new) The method of claim 80 wherein the transmitted advertisements are targeted to the subscribers.

89. (new) The method of claim 80 further comprising:

(f) selecting advertisements to be transmitted to the subscribers.